

MONTANA SENATE
2007 LEGISLATURE

ROLL CALL

PUBLIC HEALTH, WELFARE & SAFETY

DATE 1-24-07

NAMES	PRESENT	ABSENT	EXCUSED
SEN. JOHN COBB (R)	✓		
SEN. JOHN ESP (R)	✓		
SEN. KIM GILLAN (D)	✓		
SEN. LYNDIA MOSS (D)	✓		
SEN. TERRY MURPHY (R)	✓		
SEN. JERRY O'NEIL (R)	✓		
SEN. TRUDI SCHMIDT (D)	✓		
SEN. CAROL WILLIAMS (D)	✓		
SEN. DAN WEINBERG(D) CHAIR	✓		
LISA JACKSON (LSD) <i>Greg Petersch</i>			✓
PRUDENCE GILDROY, SECRETARY	✓		

**MONTANA STATE SENATE
2007 LEGISLATURE**

VISITOR REGISTER

PUBLIC HEALTH, WELFARE, AND SAFETY

DATE 1-24-07

BILLS BEING HEARD TODAY SB 155 SB 186

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Deb Pate	271-7553	Area III Agency	SB 155	X	
Karen Smith	323-2165	Area II Agency on Aging	SB 155	X	
Mike Barrett ¹²²⁵ Wilcox 59601	none / sex det. w/ fr. arts prog sv Fnd'l Envlsm		"	✓	
Julie Ebbert	406 696 8398	GAC	SB 155	✓	
Wanda Caffarel	406 457 4705	HARP MT	SB 155	✓	
Bill Kenney	256-2701	Yellowstone Co-ty	SB 155	✓	
Pat Callicheck Allen	457-4701	HARP	SB 155	✓	
Lynda Brannon	442-5599	MASBO	SB 186	✓	
Joan Mulo	444-5622	DPHHS	SB 155	—	
Kelly Monroe	477-785	SLTC	SB 32	Informatica	
Tony Skene ^{HD 90}	989-2471	Self	SB 155	✓	
Nail Hought	3-5843	Self	155	X	
Vi Clements	442-4299	Self	155	X	
Kathy Brannon	444-3161	OP	186	✓	
Linda Still	413-9070	Area Agency on Aging	155	✓	
Sheryl Wood	444-4360	MACO	155	X	
Bob Clark	737-4417	MUST	136	X	
Wayne Stanford	777-3212	Lone Rock School	186	X	
Bob Thompson	457-4421	MTSJA	186	X	
Shawn Burgess	457-4418	MTSJA	186	X	
Darrell Rad	442-2510	SA-M	186	X	

FRANK COTE 443-8070 A.H.P. 186 X

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MARY CALLEN 443-7551 NAIFA-MT 186 X
Tanya Ash 444-8247 BCSSMT 186 X

**MONTANA STATE SENATE
2007 LEGISLATURE**

VISITOR REGISTER

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BILLS BEING HEARD TODAY SB 155 SB 186

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NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Dana Kohler	728-7682	Montana Area Agency on Aging	155	✓	
Doni Judge	459-1708	Montana Nurses Association	SB 155	✓	
Charles Aages	457-7359	Area IV Agency on Aging	SB 155	✓	
Shirley Bennett	442-3020	AARP	SB 155	✓	
Terri Hagen	265-5205		SB 155	✓	
Walter Jeff	253-8935	St. Clare Hq	SB 155	✓	
Mary M. Munk	753-4113	Myself	SB 155	✓	
Beverly Melcher	652-1983	Seniors	SB 155	✓	
Sharon Tle	656-4694	YCCOA	SB 155	✓	
Jack Johnson	259-8578	YCCOA	SB 155	✓	
Patricia M. Ludwig	959-5113	ALC & ASH	SB 155	✓	
Diane Latta	883-7284	Area VI Agency on Aging	SB 155	✓	
ADELINE PETERSON	238-4850	MSCA	SB 155	✓	
Mary Lou Miller	525-3737	GAC - MSCA	SB 155	✓	
Betty Benby	443-5341	INSCA	SB 155	✓	
Janet M. Mottfeldt	442-5207	AARP	SB 155	✓	
Bill Mottfeldt	"	"	"	✓	
Kenneth B. Mottfeldt	442-2279	SC 15	SB 155	✓	
Charles R. Rabin	444-7788	DPHHS - Aging Services	SB 155	✓	
Gustav R. Rabin	535-7486	Fergus Co Council on Aging	SB 155	✓	
LOUISE BROWN	377-3564	Area F AARP	SB 155	✓	
WEBB BROWN	492-2465	MT CHAMBER	SB 186		X

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

Testimony SB155

Mr. Chairman, members of the committee. I am Verner Bertelsen, and I rise in strong support of SB155, ~~As~~ the preceding testimony has so strongly portrayed, Montana is a state with a rapidly aging population. To not pass legislation such as SB155 would be tantamount to ignoring a serious shortfall in our ability to begin to meet the needs of our aging population. I am most appreciative of this effort to place some of our most fortunate surplus in our Older American's Trust Fund. This is excellent seed money in a fund, which must of necessity grow rapidly so that the interest can have a significant impact on the urgent needs we will face. We should , however, face the fact that there is a pressing need to provide a long-term source of funding the Older American's Trust I am concerned that when there is no surplus ^{and} ~~that~~ no place would be found in the state budget to add to the trust fund. Therefore, I urge you not only to pass SB155, but to look favorably upon the tax on soft drinks as a possible source of stable funding for our Older American's Trust Fund.

Thank you

AGING IN MONTANA
SENIOR AND LONG TERM CARE DIVISION
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
JANUARY 2007

DESCRIPTION:

Montana is aging at a faster rate than most of the other States in the Union. The 2000 U.S. Census showed that Montana's 65 and older population was at 13.4% while the United States is at 12.1%. And the 2003 census projections indicated that by 2030, Montana is expected to rank 3rd in the Nation in the percentage of people over the age of 65 at 25.8%.

The 85 and older age group has been identified as the fastest growing segment of our society. In 2005, the U.S. Census Bureau indicated that

Montana's 85 and older population was 1.4% of our population while the nationally, the 85 and older group is at 1.3% of the total population.

In the December, 2005 report by the U.S. Department of Commerce entitled: 65 + in the United States: 2005, it states: "According to U.S. Census Bureau projections, a substantial increase in the number of older people will occur when the Baby Boom generation (people born between 1946 and 1964) begins to turn 65 in 2011. The older population is projected to double from 36 million in 2003 to 72 million in 2030, and to increase from 12 percent to 20 percent of the population in the same time frame. By 2050, the older population is projected to number 86.7 million.

The oldest-old population (those aged 85 and older) is also projected to double—from 4.7 million in 2003 to 9.6 million in 2030—and to double again to 20.9 million in 2050. The latter increase will reflect the movement of Baby Boomers into the oldest-old category."

The Older Population in the 20th Century

For most of the 20th century, the growth of the older population far outpaced that of the total population or the population under 65. In 1900, people 65 and older numbered 3.1 million. By 2000, this group encompassed 35.0 million, 11 times as large (Table 2-1).

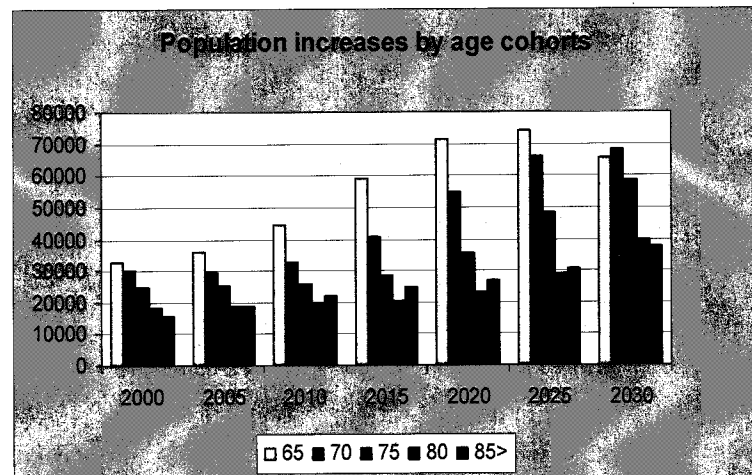
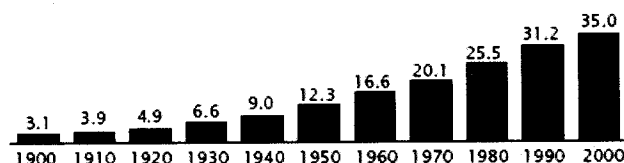


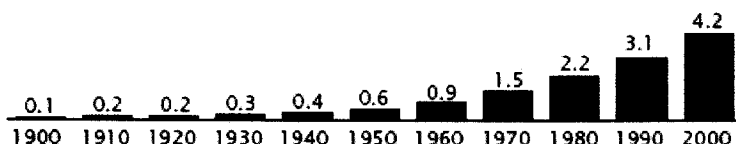
Figure 2-1.
Population Aged 65 and Over: 1900 to 2000
(In millions)



Note: The reference population for these data is the resident population.
Sources: 1900 to 1940, 1970, and 1980, U.S. Bureau of the Census, 1983, Table 42; 1950, U.S. Bureau of the Census, 1953, Table 38; 1960, U.S. Bureau of the Census, 1964, Table 155; 1990, U.S. Bureau of the Census, 1991, Table QT-P1; 2000, U.S. Census Bureau, 2001, Table PCT12. For full citations, see references at end of chapter.

During the same period of time, the total U.S. population increased from 76.0 million to 281.4 million, 3.7 times as large. The growth of the population under age 65 was similar to that of the total population, from 72.9 million in 1900 to 246.4 million in 2000, or 3.4 times as large.

Figure 2-4.
Population Aged 85 and Over: 1900 to 2000
(In millions)



Note: The reference population for these data is the resident population.

Sources: 1900 to 1940, 1970, and 1980, U.S. Bureau of the Census, 1983, Table 42; 1950, U.S. Bureau of the Census, 1953, Table 38; 1960, U.S. Bureau of the Census, 1964, Table 155; 1990, U.S. Bureau of the Census, 1991, Table QT-P1; 2000, U.S. Census Bureau, 2001, Table PCT12. For full citations, see references at end of chapter.

The proportion of the population aged 65 and older increased steadily from 4.1 percent in 1900 to 12.6 percent in 1990. In 2000, the proportion aged 65 and older was 12.4 percent. In 1900, only 1 in 25 Americans was aged 65 or over; 100 years later, 1 in every 8 Americans was an older person.

Oldest Old

A healthy 65-year-old and a frail 90-year-old have quite different needs for health care, types of housing, or assistance with the functional activities of daily life.

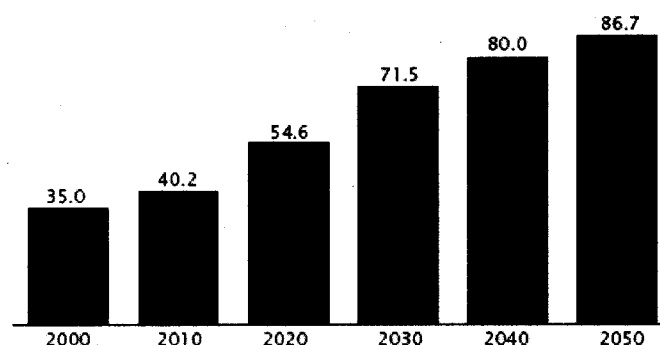
Recognizing this difference, researchers often focus on age groups within the 65-and-older population. The oldest old, those aged 85 years and older, compose a small but rapidly growing group within the older population. In 1900, only 122,000 people were 85 years or older. By 2000, this group reached 4.2 million, 34 times as large (Figure 2-4). In contrast, the population aged 65 to 84 was 10 times as large, having increased from 3.0 million to 30.8 million.

The rapid growth of the oldest old is related to increases in life expectancy related to improving medical care and nutrition during the century. People live longer now than at any time in the past; U.S. life expectancy at birth rose from 47.3 years in 1900 to 76.9 years in 2000.² Greater longevity, combined with relatively low fertility rates, has rapidly increased the proportion of the oldest old among the total older population. In 1900, only 4.0 percent of all older people were aged 85 and older; by 2000, that proportion had grown to 12.1 percent.

Centenarians

Reduced mortality rates at older ages in recent decades also increased the number of people living to very old ages, such as 100 years or more, who are classified as centenarians. Centenarians represent a small proportion of the total U.S. population as well as in Montana, but this group is growing as our society ages. The 1990 census reported that 37,000 people in the U.S.A. were centenarians. The number grew to 50,000 in Census

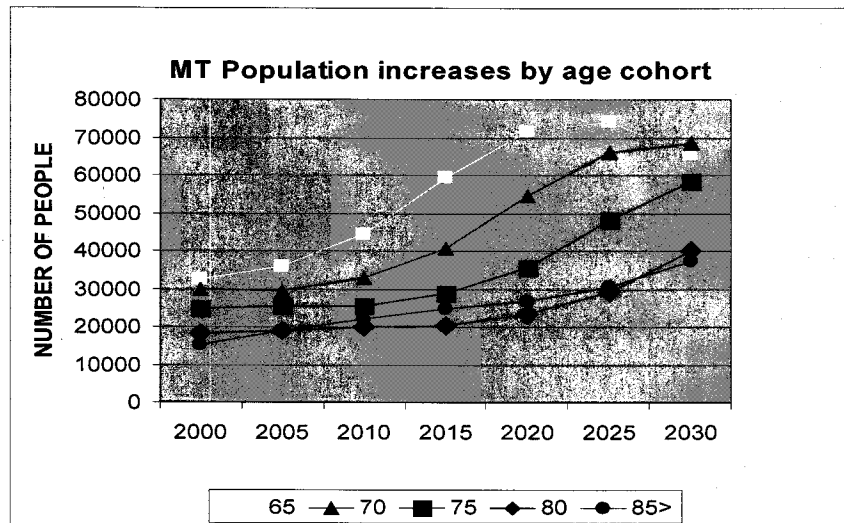
Figure 2-5.
Population Aged 65 and Over: 2000 to 2050
(In millions)



Note: The reference population for these data is the resident population.

Sources: 2000, U.S. Census Bureau, 2001, Table PCT12; 2010 to 2050, U.S. Census Bureau, 2004. For full citations, see references at end of chapter.

2000. As in 1990, the centenarians in 2000 were heavily concentrated in the age group 100 to 104 years old.



In 2000, Montana had 160 people aged 100 or older. It is projected that by 2030, this age group could be over 3,000.

Many Rural/Frontier communities in Montana are already at or above the 2030 projection of 25.8% of their populations being over the age of 65 and several of our counties are

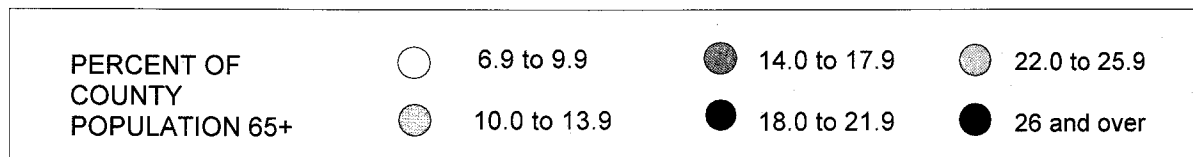
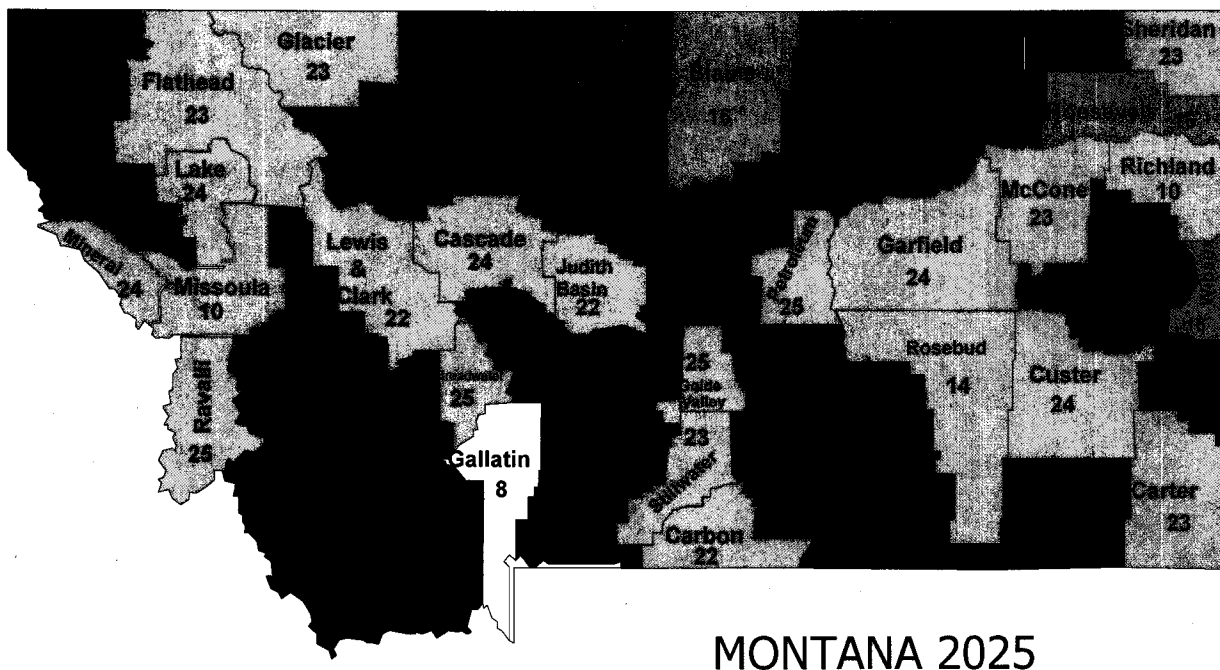
rapidly nearing this figure. The following are a list of communities that are close to or exceed the 25.8% projection for Montana for the year 2030 and a list of the counties that currently exceed 18% of their population being over age 65.

Communities (# of people 65 & older or % of the total population of the community):

Augusta (74 people/ 26.6%); Bainville (41 people/26.8%); **Big Fork (404 people/28.43%)**; Big Sandy (190 people/ 27.03%); Black Eagle (248 people/ 27.13%); Chester (241 people/ 27.67%); Choteau (457 people/ 25.66%); **De Borgia (25 people/ 36.23%)**; **Ekalaka (123 people/ 30.0%)**; Ennis (174 people/ 20.71%); **Flaxville (28 people/ 32.18%)**; Fort Benton (376 people/ 23.59%); Froid (27.69%); Glendive (979 people/ 20.7%); Hamilton (1,049 people/ 28.13%); Harlowton (292 people/ 27.5%); Hot Springs (150 people/ 28.25%); Jordon (95 people/ 26.1%); **Kings Point (61 people/ 36.09%)**; Lewistown (1,325 people/ 22.79%); Libby (587 people/ 22.35%); Malta (469 people or 22.12%); **Musselshell (20 people/ 33.33%)**; Nashua (84 people/ 25.85%); **Neihert (29 people/ 31.87%)**; **Opheim (35 people/ 31.53%)**; Plentywood (526 people/ 25.52%) **Rollins (60 people/ 32.79%)**; Roundup (422 people/ 21.85%); Scobey (300 people/ 27.73%); **Sheridan (190 people/ 28.83%)**; **Terry (191 people/ 31.26%)**; Wibaux (152 people/ 26.81%).

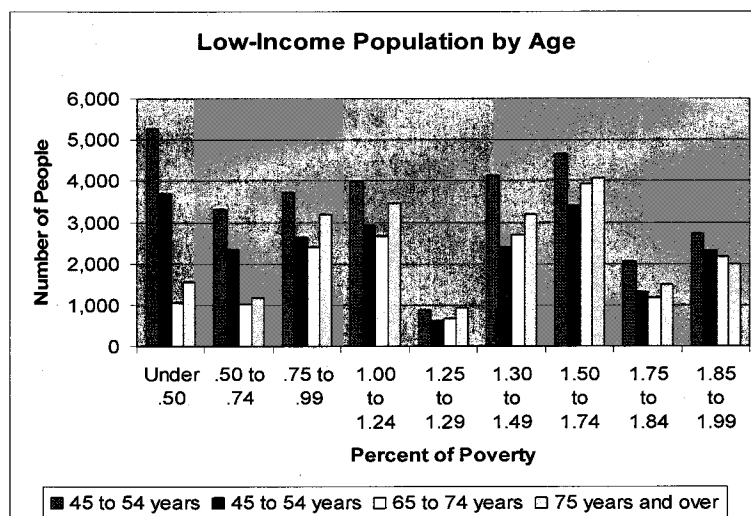
Counties: Chouteau (1,037 people/ 18.6%); Daniels (464 people/ 25.2%); Dawson (1,571 people/ 18.2%); **Deer Lodge (1,752 people/ 19.3%)**; Fallon (530 people/ 19.1%); **Fergus (2,289 people/ 19.8)**; Garfield (223 people/ 18.3%); **Liberty (456 people/ 22.6%)**; McCone (348 people/ 19.6%); Phillips (833 people/ 19.8%); Powder River (340 people/ 19.0%); Sanders (2,015 people/ 18.4%); **Sheridan (873 people/ 24.1%)**; Teton (1,139 people/ 18.1%); Treasure (143 people/ 19.2%); Valley (1,483 people/ 20.4%); **Wibaux (215 people/ 22.1%)**; and Wheatland (400 people/ 19.3%).

And by 2025, Montana Counties will look like the map below.



ISSUES:

The one of the major issues will be revolve around the question: “will we have enough health care providers to deliver the services needed in our rural counties and frontier communities over the next twenty to thirty years or will the elderly have to move to our larger cities to receive necessary services?” Getting service providers to serve isolated communities like Ekalaka, Jordon, Lima, Neihert and Opheim may be a challenge as our population ages.



The other major issue is going to be related to the financial support needed by the most needy, our low-income and disabled elderly. The chart on the right shows the number of people by age group who are in the

various categories of low-income status.

According to the US Census Bureau, there are 47,400 people over the age of 65 who are under 130% of Poverty. Of these, 18,052 or 38% are in the 75 and older age cohort. And as indicated by the Low-income chart (on page 4) and the table below, this group of Montanans will only continue to grow over the next twenty-five years.

	45 to 54 yrs	45 to 54 yrs	65 to 74 yrs	75 yrs & over
Under .50	5,282	3,681	1,056	1,548
.50 to .74	3,297	2,337	1,015	1,171
.75 to .99	3,711	2,634	2,402	3,177
1.00 to 1.24	3,966	2,932	2,652	3,447
1.25 to 1.29	885	623	662	922
1.30 to 1.49	4,135	2,405	2,685	3,195
1.50 to 1.74	4,649	3,399	3,909	4,062
1.75 to 1.84	2,036	1,326	1,163	1,502
1.85 to 1.99	2,721	2,306	2,157	1,982

Legislative Findings

The November 1993 Special Session of the Montana Legislature adopted Senate Joint Resolution No. 2 (SJR 2), directing the Joint Oversight Committee on Children and Families (Committee) to examine inefficiencies in the provision of services to the elderly by state government agencies and to make recommendations concerning possible legislation to address and alleviate future problems.

This Legislative Joint Oversight Committee Report, which was printed in 1994, stated: "The older population will continue to grow, with the most rapid increase expected between 2010 and 2030, when the "baby boom generation reaches age 65. By 2030, the number of elderly in America is projected to double from the number in 1990. The fastest growing age group in Montana is age 75 or older. Any realistic projection must show a corresponding growth in the need for elder services and similar impact on government programs designed to provide elder care."

The Report went on to say, "problems associated with the aged can realistically only be expected to grow in the foreseeable future, proportionate to the expanding aging population. Any inefficiencies in the present system of services will be exacerbated by the inevitable growth in Montana's elderly population. Funding must expand at a proportionate rate if the State is to continue serving even 32% of the elderly, as at the present level. If funding continues at the present level or decreases, a corresponding reduction in the number of elders served or a reduction in programs will result. Given the present federal fiscal situation, it is logical to conclude that the bulk of the burden of providing additional or increased elder services will most likely fall on the state."

And the Report concluded by stating: "This report is necessarily fixed in time. As outlined above, government presently provides a wide range of services to the elderly. The question of whether present services are sufficient remains one of policy. Given the inevitability of an aging population, the issue of adequacy of services is one that will be faced by future Legislatures for years to come."

The State of Aging in Montana

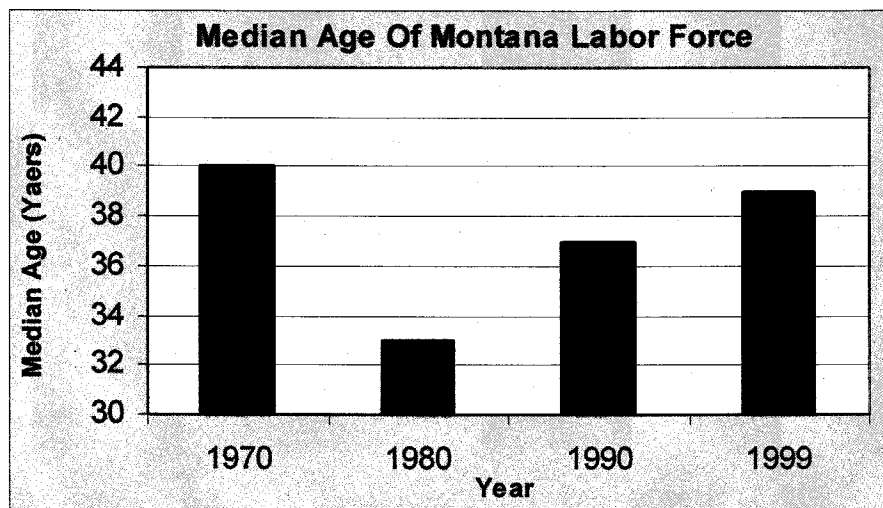
The year 1999 was proclaimed the International Year of Older Persons by the United Nations to draw attention to the aging of societies and to the contributions and needs of older persons. In March, 1999, the Montana Department of Public Health and Human Services (DPHHS) published the first legislative report on "The State of Aging in Montana." The aging report was well received by the 1999 Montana legislature, who subsequently passed House Bill No. 275 amending Section 52-3-101, MCA and requiring the DPHHS to produce a biennial report, with annual updates, on statewide and community issues related to aging.

The 1999 report "**The State of Aging in Montana**" examined the aging of Montana's population and the related effects on state government functions. Officials from various divisions of state government identified issues that will affect government, businesses, and Montanans as the population ages. The 2000 annual update revisits the aging issues and concerns that were identified in the 1999 report. In addition, the 2000 report identified current demographics trends and changing theories about the impact an increasingly older population will have on our state.

DEPARTMENT OF LABOR AND INDUSTRY

The median age of Montana's labor force is increasing as baby boomers age.

In 1970, the median age of the labor force in Montana was 40. During this time period, baby



boomers were beginning to enter the labor force and accounted for just 17% of Montana's labor force. By the 1980's baby boomers comprised 51% of the workforce, and the median age of Montana's labor force dropped to age 33. By 1990, aging baby boomers accounted for 55% of the labor force, and the median age of the labor force began increasing with the aging baby boomers. By

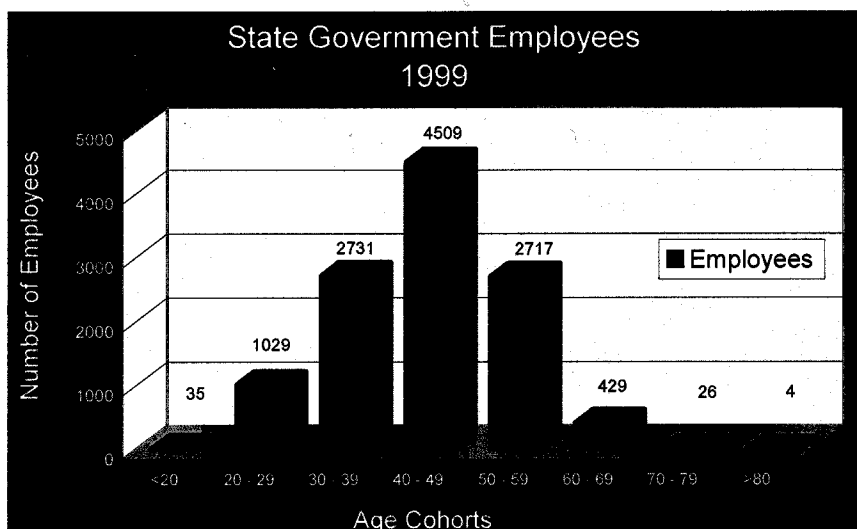
1999, the median age of Montana's labor force had risen to age 39. The median age of the workforce is expected to increase steadily as baby boomers approach retirement age.

DEPARTMENT OF ADMINISTRATION

The number of State employees who have over 20 years of service has increased by 75% over the past year.

In 1998, 1,018 state employees had completed over 20 years of service with the

State of Montana. As of December 14, 1999, 1,783 state employees had completed over 20 years of service with the state. This is a 75% increase in the number of employees who either qualify or are within five years of qualifying for early retirement (regardless of age), over last year. State employees are eligible for early service retirement if they are age 50, with at least 5 years membership service, or have 25 years of membership service at any age. The State of Montana employs 10,889.02 fulltime employees.



Thus, approximately 16% of state employees either qualify or are within five years of qualifying for early retirement.

DEPARTMENT OF CORRECTIONS

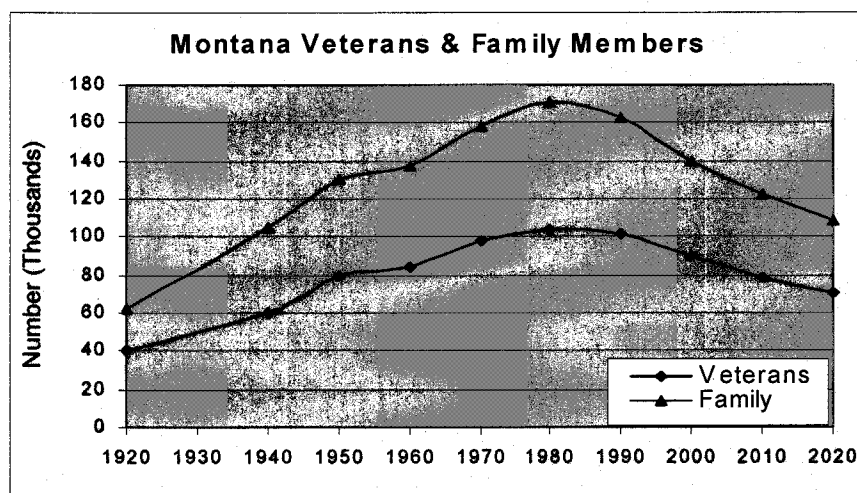
The aging inmate population has increased at a higher rate than previously expected by DOC officials.

In 1998, the Department of Corrections' (DOC) staff reported approximately 10% of Montana's male inmates and 5% of Montana's female inmates were over age 50. Because of generally poor health status, the DOC considers an inmate elderly at the age of 50. In 1999, DOC staff projected the elderly male inmate population would remain consistent through the year 2003 and the elderly female inmate population would increase to approximately 6.8%. The percentage of elderly inmates reported for 1999, already exceeds that projection. The DOC staff reports currently 12.6% of Montana's male inmate population is over age 50 and approximately 9.5% of Montana's female inmate population is over age 50. The aging female inmate population nearly doubled since 1999.

DEPARTMENT OF MILITARY AFFAIRS

The veteran population is aging at a faster rate than the general population in Montana.

The total veteran population in Montana decreased by 1500 (1.7%) between 1998 and 1999. However, the number of veterans over age 65 grew by 1.4%. The number of older veterans is increasing at a significantly faster rate than the 65 and older age



group within Montana's general population. (The number of Montanans age 65 and older grew by approximately 1/3 of one percent between 1998 and 1999).

The number of Montana veterans and the family members of veterans is expected to continue decreasing steadily through the year 2020. However, the aging of the WWII and Korean Conflict Veterans is expected to cause an aging boom for the veteran population beginning this year. By the year 2010, 42% of the entire veteran population will be 65 years or older.

The 2004 State of Aging in Montana Report

Overview of future trends

What does the future hold for baby boomers as they move into retirement and beyond? Several demographic, health and economic trends will affect how tomorrow's aging population will look. One demographic fact is for sure: the inevitable increase in the number of people who will be 65 years of age and older over the next 2-3 decades. However, other demographic trends will have an affect on how well the elderly population of tomorrow can remain in the community and receive needed services. Some of these trends include future fertility and mortality rates, marriage and divorce rates, net immigration patterns and changes in family patterns. These trends may adversely affect the availability of family members to provide informal caregiving. They may also affect the number of workers who are available to provide in-home or other long-term care services.

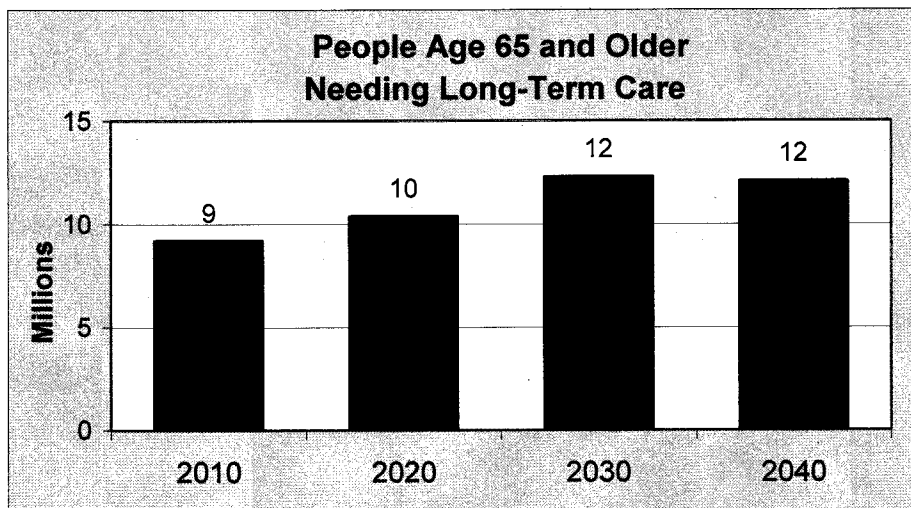
Can today's baby boomers expect to benefit from the same health trends as their parents? Maybe not. Research bearing directly and indirectly on this issue is contradictory, and points to some important dangers that the baby boom generation will face as it tries to replicate its parents' health and longevity.

Current lifestyle choices of younger persons will affect their life prospects at older ages. Looking at the characteristics of younger cohorts can help to predict change. Still, health and economic status characteristics of tomorrow's elders are particularly problematic to predict. For example, we cannot simply use the characteristics and attitudes of the current generation of elders to predict future labor prospects for the older population. The baby boom generation is quite different. Their health is generally better, their educational attainment higher, and most women work. Their attitude towards retirement may differ and their pension plans are increasingly dependent on individual contributions. The age for receiving full benefits for retirement may also move upward.

Currently, chronic conditions are the major cause of illness, disability, and death in the United States. The continued growth in the number of older people will cause an increase in the number of people who are most vulnerable to, and most affected by, chronic conditions. Age is one of the risk factors for chronic conditions that cannot be modified, as are factors such as gender and genetic predisposition. Other risk factors for chronic conditions are related to health behaviors and environmental conditions - risk factors that can be modified.

Some important health trends that bear watching include the incidence of disabilities and the incidence of dependency. These have a direct affect on the extent to which the elders of tomorrow will need long-term care services. Recent trends in disability and obesity in adults still well short of retirement age and/or "elderly" status suggest that the baby boom and later generations might not be as fortunate. Rates of obesity, diabetes and asthma, are increasing among baby boomers.

Chronic disease prevention and control has become a top priority, as levels of chronic conditions increase. Currently, half the people aged 65 and over have at least two chronic health conditions, and the proportion of those with chronic conditions is expected to rise. For example, in 2002, approximately 4.2 million older Americans had diabetes - by 2020 that number is expected to rise to 7.5 million persons. State Health and Aging officials now consider chronic disease prevention and control a higher priority than access to health care or access to prescription drugs.



Congressional Budget Office: Projections of Expenditures
for Long-Term Care for the Elderly 1999

Economic trends that could impact the well being of tomorrow's elders include: future inflation rates; interest rates; productivity; rates of saving; and unemployment rates. Today's workers will probably barely have finished paying off their college loans before they are urged to buy long-term care insurance. With a year in a nursing home costing up to twice as much as one at a top university, planning ahead for long-term care would seem to be prudent (though buying long-term care insurance may not be the appropriate way for everyone to plan, of course). Moreover, one can plan for college tuition, and most students will be able to help defray their college expenses by working, borrowing, or both. Long-term care, in contrast, represents "...an unpredictable need for an unmanageable expense..."

Of particular concern is the fact that current workers could be in greater danger of outliving their retirement savings than their parents were because they are more likely to be covered by defined contribution retirement plans. The baby boom generation will be among the first retirees to derive all or most of their private pension income (if any) from defined contribution plans.¹ With a low level of savings and high credit card debt, many baby boomers could face a decreased economic outlook in retirement.

Policy implications for the future

Anticipating the future requires understanding the complex relationships of a state's economy and the state's population. The simple version of the story is that the aging of society will result in a relative decline in the need to support education and a relative increase in the need to support social services more likely to be used by older people. Changes in the population will affect not only education and health care but also safety, law enforcement, the judiciary and even prisons. The more complex story, however, is that there will be variations among states, not only because the economies of each state vary but also because demographic changes will occur differently from state to state.

Looking specifically at long-term care needs, the extent to which states will have to prepare for an increase in the number of people needing long-term care services will depend on a number of factors, including the projected number of the oldest-old residents - people age 85 and older - and therefore, most likely to need long-term care services. Nationally, a 66 % increase is expected in the population age 85 and older between 2000 and 2025. For Montana, the projected increase is 123%, which ranks as the 8th highest increase nationwide.

However, numbers are not the only issue that state governments need to take into consideration. States and communities need to maintain viable economic conditions and a good quality of life so people will want to remain there. Migration often reflects residents' desire to leave - and usually the first people to leave are future workers and taxpayers and those who can afford to leave. Those that remain in the state are individuals who are least likely to be able to support needed services. And they are most likely those that will need long-term care - our senior citizens.

States also have to contend with limited resources for long-term care services. They must find ways to ease the expected increase in demand for health and supportive services in the future, even as the population ages, while at the same time being able to respond effectively to the need for care.

The challenge will be to maintain or improve the quality of life of future seniors. This will take planning on the part of the policymakers of today and future. While the federal government will play an important role in helping to finance services, states will design the innovative strategies that will address the multiple challenges of providing long-term care services for the elderly.

A recent National Governors Association report found that states will face five critical challenges in developing a strategy to address the growing future long-term care needs of the elderly:

- building on the importance of family and community;
- expanding home- and community-based services;
- streamlining services;
- using public funds in strategic ways; and
- addressing concerns about quality.

An examination of available data related to the aging of the U.S. population suggests that state policymakers should try to keep several key points in mind as they try to anticipate the impact of population aging in their states and to plan effective responses:

- There is a need for state-specific long-range planning.
- States must plan for a population that will be different and more diverse. The delivery of "culturally competent" services will become even more important than it already is.
- Every aspect of people's lives will be affected by demographic changes. Consequently, planning must involve all aspects of state governments. There is, and will continue to be, a need for collaboration across state departments and agencies.
- State workforces are aging, and the rate of growth in new entrants has slowed. To meet anticipated labor shortages, efforts are needed to retain experienced older workers. At the same time, some retraining may be needed, and there will be a need for a well-trained, more diverse workforce to provide services in the future in the most effective manner.
- Experience with unanticipated changes in the past suggests that many aspects of the future are uncertain. Thus, flexibility is vital.

- Improving the capacity of states to collect and use data related to the aging of the population, would be helpful. National data can be illustrative, but there is tremendous variation among states.
- Now and in the future, older residents and their families need a source of information and assistance that is comprehensive rather than program- or service-specific.
- The aging of the population will provide opportunities, as well as challenges.

In looking at aging trends in 1994, the Legislative Auditor's report noted that "problems associated with the aged can realistically only be expected to grow in the foreseeable future, proportionate to the expanding aging population. Any inefficiencies in the present system of services will be exacerbated by the inevitable growth in Montana's elderly population. Funding must expand at a proportionate rate if the Office is to continue serving even 32% of the elderly, as at the present level. If funding continues at the present level or decreases, a corresponding reduction in the number of elders served or a reduction in programs will result. Given the present federal fiscal situation, it is logical to conclude that the bulk of the burden of providing additional or increased elder services will most likely fall on the state."

In Conclusion

Based on the 1994 Legislative Report, the State of Aging Reports and the current demographic projections, Montana as a State must begin to plan for the future elderly population. Setting aside funds now, through the establishment of a trust fund for services for the elderly, is a giant step towards meeting the future crisis facing Montana as our population ages.

**By 2030, Montana's population over age 65 will grow 122%,
while our total population will grow 33%.**

Will our elders age with dignity in their homes and livable communities?

Support SB 155

Older Montanans Trust Fund

*Sponsored by Sen. Carol Williams, Rep. Bill Jones, Rep. Cynthia Hiner
A bill at the request of Governor Schweitzer*

SB 155 creates the Older Montanans Trust Fund, a savings account that will help our state prepare for the growing demand of senior services. Interest from the trust fund will be appropriated by the legislature when there is \$20 million or by the year 2015.

What will it fund?

By 2015, the Trust Fund will expand senior services like in-home meals, home health and personal care, support for family caregivers, and transportation services for seniors. With interest from the Trust, Montana can look to new and innovative programs that will allow all of us to age in our homes and make our communities more livable for seniors.

People overwhelmingly prefer to remain in their own homes for as long as possible. Currently, most care (about 80%) is provided in homes by unpaid family members and friends. As our population ages, Montana needs to find ways to creatively support our home and community-based senior services. Now is the time to start saving resources for our aging population by creating the Older Montanans Trust Fund.

AARP is a nonprofit, nonpartisan membership organization with over 154,000 members in Montana.

What is the funding source?

SB 155 will start up the Trust with one-time funds leftover from the pharmacy assistance programs authorized last session in SB 324. DPHHS is still implementing the pharmacy assistance programs and enrolling Montanans in the very confusing world of Medicare Part D. The first priority is to grow and fund the programs under SB 324, but while that happens allocating the ending fund balance to the Older Montanans Trust Fund is a good way to prepare for our aging population. As the pharmacy programs grow, no doubt a future legislature will need to look at another funding source for the Older Montanans Trust. From FY '07, \$5M is projected to go into the Older Montanans Trust Fund and possibly additional funding by the end of '09.



The power to make it bet.

TOM LAUGHLIN

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January 24, 2007

To Whom It May Concern;

I have been notified that a bill is in the Senate that will allow school districts to shop and find the most economical health insurance provider. This bill is HB186, and will mandate that any public school district will be able to obtain and provide its own relevant loss experience data to other prospective insurers in order to obtain valid rate quotes for coverage. As the legislature is meeting about many important issues, none can be more important than the cost of health care.

Our school district scrambles each and every year, trying to hold the costs of health insurance premiums down to a reasonable level. Our district is having a difficult time trying to find out which company can give us the best premium for the least amount of money. This chore is greatly hindered by the inability of the school districts being unable to provide their loss data to prospective insurers. This bill would "level the playing field" for health insurance quotes for public schools. Currently, MUST provides loss experience when requested as a service to its members to enable them to shop for the best price and program. The Blue Cross/Blue Shield sponsored MSHWP group does not. Currently, some 70 + school districts insured under the Montana School Health and Welfare Program (Blue Cross) are not able to provide their loss data to prospective insurers.

There is a problem with groups like Blue Cross. School districts that are a part of an association providing group health insurance for its members can only obtain the data for the group as a whole and not their individual district experience. As a result, a district cannot determine whether it is subsidizing other districts or is being subsidized. When insurance providers like MUST try to come up with a realistic bid, they must ask each individual member in the district to submit their usage. This data is almost impossible to obtain from all members and is subject to misinterpretation and overlooked data.

I am not saying that MUST is a better insurance provider than Blue Cross. In fact Blue Cross has been very good to my family and me. What I am saying is that if we don't find a way to control the ballooning health insurance costs, that in about 8 to 10 years we will just be making just enough money with teaching salaries, to pay the cost of the premium. We are asking you to allow school districts to shop and find the most cost effective program for the covered participants. Failure to have that opportunity puts the district in a position of being unable to assure its employees, taxpayers and state funding providers that public funds are being properly managed and spent. Please vote for HB186. Help our school district face the future with a tool that will allow every insurer a chance to bid.

Sincerely,

Tom Laughlin